



EXPRESS SCRIPTS®

February 10, 2011

Jennifer Egelhof
Health Programs Administrator
Pharmacy Unit
Office of Vermont Health Access
312 Hurricane Lane
Suite 201
Williston, VT 05498-2087

Dear Administrator Egelhof:

Express Scripts Inc. appreciates the opportunity to submit comments on the draft report “Single Formulary and Electronic Prior Authorization Recommendations” in accordance with ACT 48, Section 18 and Act 51, Section 4. Express Scripts is one of the largest pharmacy benefit management (PBM) companies in North America, providing PBM services to over 50 million patients. We serve thousands of client groups, including managed-care organizations, insurance carriers, third-party administrators, employers and union-sponsored benefit plans. Express Scripts is headquartered in St. Louis, Missouri.

As a large purchaser of pharmaceuticals and prescription benefit manager, Express Scripts offers a unique perspective on formularies and prior authorization. Irrespective of whether the state adopts a single formulary, the cornerstone of any sound formulary must be maintained - independent clinical analysis. Formularies should be developed through independent panels of physicians who understand treatment protocols for various conditions. This important review should not be subjected to lobbying or public influence. Only after clinical parameters are defined should costs be considered. Our years of experience in successfully developing formularies conclusively demonstrate that an independent formulary development produces clinically sound benefits that can also be cost-effective.

Express Scripts has long been an ardent supporter of electronic prescribing, and supports the State's efforts to promote physician access to e-prescribing. Along with our industry counterparts, we founded RxHub, now merged with SureScripts, which serves as the nation's leading e-prescribing interchange between payers and prescribers. We also work with the National Council for Prescription Drug Programs (NCPDP) to establish standards for pharmacy transactions. We share the industry's and the Office of the National Coordinator of Health Information Technology's position that there are currently no fully established standards to support electronic prior authorization.

According to the draft report, DVHA intends to require electronic prior authorization in the 2014-2017 timeline. Express Scripts supports the development and use of these technologies, but cannot guarantee they will be available in 2014. We therefore respectfully caution the state to

continue monitoring industry efforts in this space, and establish an implementation timeline that allows sufficient time for pilot projects to produce appropriate, workable standards.

Further, requiring compliance with a non-existent standard could only further aggravate prescribers and hamper efforts to encourage their embrace of e-prescribing. We fear this may happen in this instance. Having prescribers choose between a state mandate and federal programs that may conflict could discourage their use of e-prescribing, which then subjects them to e-prescribing penalties through CMS and losing grants made available through the HITECH Act.

The draft report includes some erroneous data that Express Scripts would like to bring to your attention before the report is finalized.

PBM Market Share (Figure 2, page 7)

The report references data from Atlantic Information Services that is incorrect. The five selected PBMs listed on the table appear to cover more lives than the population of the United States. We recommend this table be removed.

Administrative Challenges of Prior Authorization (Page 7)

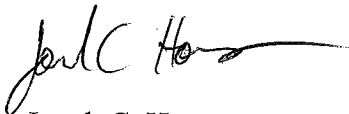
The draft report claims that physicians do not have easy access to formulary information. To be clear, many plans customize their benefits which results in different coverage for different patients. However, many PBMs make information available to prescribers to alleviate potential administrative burdens. Express Scripts maintains a website that contains drug-specific forms for many of our most commonly prescribed drugs that require a prior authorization. While these forms cover many of the most common drugs, not all drugs needing prior authorizations are immediately available. Nonetheless, the available forms will help start the prior authorization process off more efficiently and easily. www.express-scripts.com/pa

Real-time Processing of Prior Authorization (Page 18)

Express Scripts is not aware of any State that has real-time electronic processing of prior authorizations.

In closing, we appreciate the opportunity to share our views with you. Successful adoption of electronic prescribing, including electronic prior authorization, is of utmost importance to Express Scripts. Please do not hesitate to reach out if I can be of assistance in any way.

Sincerely,



Jonah C. Houts
Senior Director, Government Affairs
Express Scripts, Inc.
JHouts@Express-Scripts.com